Study on conversion of inferior grade coal into oil

294. SHRI SANTOSH BAGRODIA: Will the Minister of COAL AND MINES be pleased to state:

(a) whether Government have undertaken detailed study of the possibility of conversion of inferior grade coal into oil and other byproducts;

(b) whether Government have prepared any viable project report in this regard; and

(c) if so, the details thereof and the action Government propose to further take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) The possibility of setting up of coal liquefaction plant based on high ash Indian coal is being ascertained.

(b) No, Sir.

(c) Does not arise in view of reply given to part (b) above.

Assessment of losses being sustained by CIL

295. SHRI P. PRABHAKAR REDDY: Will the Minister of COAL AND MINES be pleased to state:

(a) whether any authoritative assessment regarding losses being sustained by the Coal India Ltd. has been made during the last three years;

(b) if so, the details thereof;

(c) whether the reasons for the losses have been identified and if so, the details thereof; and

(d) the steps proposed to be taken' to check the losses and to enable the Company to show a turnaround?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) Yes, Sir. Coal India Limited individually has registered profits during the last

3 years from 1998-99 to 2000-2001. However, the combined working results of Coal India and its subsidiaries together show loss of Rs. 1,414.4J crores in the year 2000-01 as against profit of Rs. 1,451.79 crores in 1998-99 and Rs. 693.87 crores in 1999-2000.

(b) Losses incurred (-)/profts earned (+) by CIL and its subsidiaries during the last three years are given below:—

(Rs. in crores)

Name of the company	1998-99	1999-2000	2000-01
Eastern Coalfields Limited (ECL)	(-M72.47	(-)728.23	(-)917.19
Bharat Coking Coal Limited (BCCL)	(-)442.34	(-)692.32	(-)1276.70
Central Coalfields Limited (CCL)	(-J149.35	(-)121.24	(-)792.91
Northern Coalfields Limited (NCL)	(+)802.14	(+)936.87	(+)1025.05
Western Coalfields Limited (WCL)	(+)476.58	(+)405.86	(+)28.23
South Eastern Coalfields Limited (SECL)	(+)676.55	(+)455.34	(+)116.92
Mahanadi Coalfields Limited (MCL)	(+)601.31	(+)607.65	(+)641.35
Central Mine Planning and Design Institute (CMPDIL)	(+)0.63	(+)0.71	(-)3.81
Coal India Limited (CIL)/NEC	(+)606.20	(+)581.18	(+)280.21
TOTAL	(+)2099.25	(+)1445.82	(-)898.85
Less dividend from subsidiaries	(+)647.46	(+)751.95	(-)515.62
Over all CIL	(+)1451.79	(+)693.87	(-)1414.47

(c) While the immediate reason for loss of CIL during 2000-2001 is

the massive impact of wage revision with its arrears liability under NCWA-Vl, the reasons for the losses incurred by ECL, BCCL and CCL are as under:—

— Existence of a large number of small underground mines which are no longer amenable to significant increase in productivity.

— Low productivity of UG mines as compared to successive wage increase.

— Surplus manpower

— Adverse geo-mining conditions

— Problem of land acquisition and settlement of land oustees affecting production from some large mines.

(d) Following steps have been taken to check the losses and make the coal mines profitable:—

(i) Conversion of underground mines to opencast mines, wherever practicable.

(ii) Mechanisation of underground mines wherever feasible by introducing SDLs, LHDs and Continuous Miners.

(iii) Encouraging Voluntary Retirement Scheme to reduce manpower and facilitate introduction of mechanisation.

(iv) Effective utilisation of existing resources by motivation to achieve' higher productivity by way of close monitoring and incentives.

(v) Coal Quality Improvement drive in all mines.

In addition to above steps CIL has engaged ICICI to study the problems of Bharat Coking Coal Limited (BCCL) and Eastern Coalfields Limited (ECL) and IDBI to study Central Coalfields Ltd. (CCL), the loss making subsidiaries and to suggest measures for their revival. The ICICI report on ECL has been received in the Government. Following the views of the Government, CIL has prepared a fresh plan for immediate survival and eventual reviyal of ECL. The ICICI report on BCCL and IDBI report on CCL are not yet received. ECL, BCCL and CCL have also been referred to the

Board for Industrial and Financial Reconstruction (BIFR) by their Boards of Directors on account of substantial erosion of their net-worth.

Revival of Coal India Ltd. and its subsidiaries

296. SHRI C. P. THIRUNAVUKKARASU: Will the Minister of COAL AND MINES be pleased to state:

(a) whether Government is examining the possibilities of reviving the loss-making Coal India Ltd. and its subsidiaries by merging its seven coal producing subsidiaries;

(b) if so, the details thereof alongwith the profit and loss earned by the subsidiaries of Coal India Ltd. during the last three years;

(c) whether Government has identified fake industries-which arc getting coal supply on the basis of the certification from the State Government.

(d) if so, the details thereof; and

(c) the action proposed against all the companies?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) and (b) A proposal for amalgamation of all subsidiary companies of Coal India Limited into one company to financially strengthen CIL and its subsidiaries has been received which is currently under examination by the Government including all its pros and cons. This is one of the various aitcrnativc options in the matter. The profit (4-)/loss(-) of coal India Limited and its subsidiaries during the last three years are as under:—

(Rs. in crores)

Name of the company	1998-99	1999-2000	2000-01
Eastern Coalfields Limited	(-)472.47	(-)728.23	(~)917.19 (ECL)
Bharat Coking Coal Limited	(-)442.34	(-)692.32	(-)1276.70 (BCCL)